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1	STATE REGULATION OF OIL AND GAS
2	2018 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Kevin T. Van Tassell
5	House Sponsor: Carl R. Albrecht
6 7	LONG TITLE
8	General Description:
9	This bill deals with the regulation of oil and gas activity.
10	Highlighted Provisions:
11	This bill:
12	defines the term "oil and gas activity";
13	 states that, subject to federal law, state regulation of oil and gas activity occupies the
14	whole regulatory field;
15	 provides that a municipality or county may regulate surface activity that is incident
16	to an oil and gas activity in certain circumstances; and
17	makes technical changes.
18	Money Appropriated in this Bill:
19	None
20	Other Special Clauses:
21	This bill provides a special effective date.
22	Utah Code Sections Affected:
23	AMENDS:
24	10-9a-102, as last amended by Laws of Utah 2007, Chapter 363
25	17-27a-102, as last amended by Laws of Utah 2015, Chapter 465
26	ENACTS:
27	40-6-2.5 , Utah Code Annotated 1953
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30	Section 1.	Section 10-9a-102	is amended to read:

10-9a-102. Purposes -- General land use authority.

- (1) The purposes of this chapter are to provide for the health, safety, and welfare, and promote the prosperity, improve the morals, peace and good order, comfort, convenience, and aesthetics of each municipality and its present and future inhabitants and businesses, to protect the tax base, to secure economy in governmental expenditures, to foster the state's agricultural and other industries, to protect both urban and nonurban development, to protect and ensure access to sunlight for solar energy devices, to provide fundamental fairness in land use regulation, and to protect property values.
- (2) To accomplish the purposes of this chapter, municipalities may enact all ordinances, resolutions, and rules and may enter into other forms of land use controls and development agreements that they consider necessary or appropriate for the use and development of land within the municipality, including ordinances, resolutions, rules, restrictive covenants, easements, and development agreements governing uses, density, open spaces, structures, buildings, energy efficiency, light and air, air quality, transportation and public or alternative transportation, infrastructure, street and building orientation and width requirements, public facilities, fundamental fairness in land use regulation, considerations of surrounding land uses and the balance of the foregoing purposes with a landowner's private property interests, height and location of vegetation, trees, and landscaping, unless expressly prohibited by law.
- (3) (a) Any ordinance, resolution, or rule enacted by a municipality pursuant to its authority under this chapter shall comply with the state's exclusive jurisdiction to regulate oil and gas activity, as described in Section 40-6-2.5.
- (b) A municipality may enact an ordinance, resolution, or rule that regulates surface activity incident to an oil and gas activity if the municipality demonstrates that the regulation:
 - (i) is necessary for the purposes of this chapter;
 - (ii) does not effectively or unduly limit, ban, or prohibit an oil and gas activity; and
- 57 (iii) does not interfere with the state's exclusive jurisdiction to regulate oil and gas

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activity, as described in Section 40-6-2.5.

Section 2. Section 17-27a-102 is amended to read:

17-27a-102. Purposes -- General land use authority.

- (1) (a) The purposes of this chapter are to provide for the health, safety, and welfare, and promote the prosperity, improve the morals, peace and good order, comfort, convenience, and aesthetics of each county and its present and future inhabitants and businesses, to protect the tax base, to secure economy in governmental expenditures, to foster the state's agricultural and other industries, to protect both urban and nonurban development, to protect and ensure access to sunlight for solar energy devices, to provide fundamental fairness in land use regulation, and to protect property values.
- (b) To accomplish the purposes of this chapter, counties may enact all ordinances, resolutions, and rules and may enter into other forms of land use controls and development agreements that they consider necessary or appropriate for the use and development of land within the unincorporated area of the county or a designated mountainous planning district, including ordinances, resolutions, rules, restrictive covenants, easements, and development agreements governing uses, density, open spaces, structures, buildings, energy-efficiency, light and air, air quality, transportation and public or alternative transportation, infrastructure, street and building orientation and width requirements, public facilities, fundamental fairness in land use regulation, considerations of surrounding land uses and the balance of the foregoing purposes with a landowner's private property interests, height and location of vegetation, trees, and landscaping, unless expressly prohibited by law.
- (2) Each county shall comply with the mandatory provisions of this part before any agreement or contract to provide goods, services, or municipal-type services to any storage facility or transfer facility for high-level nuclear waste, or greater than class C radioactive waste, may be executed or implemented.
- (3) (a) Any ordinance, resolution, or rule enacted by a county pursuant to its authority under this chapter shall comply with the state's exclusive jurisdiction to regulate oil and gas activity, as described in Section 40-6-2.5.

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86	(b) A county may enact an ordinance, resolution, or rule that regulates surface activity
87	incident to an oil and gas activity if the county demonstrates that the regulation:
88	(i) is necessary for the purposes of this chapter;
89	(ii) does not effectively or unduly limit, ban, or prohibit an oil and gas activity; and
90	(iii) does not interfere with the state's exclusive juridisdciton to regulate oil and gas
91	activity, as described in Section 40-6-2.5.
92	Section 3. Section 40-6-2.5 is enacted to read:
93	40-6-2.5. Preemption.
94	(1) (a) As used in this section, "oil and gas activity" means activity associated with the
95	exploration, development, production, processing, and transportation of oil and gas as set forth
96	in Title 40, Chapter 6, Board and Division of Oil, Gas, and Mining, including:
97	(i) drilling;
98	(ii) hydraulic fracture stimulation;
99	(iii) completion, maintenance, reworking, recompletion, disposal, plugging, and
100	abandonment of wells;
101	(iv) construction activities;
102	(v) secondary and tertiary recovery techniques;
103	(vi) remediation activities; and
104	(vii) any other activity identified by the Board of Oil, Gas, and Mining.
105	(b) Oil and gas activity does not include any activity or authority directly authorized or
106	granted to a political subdivision by the state.
107	(2) Subject to relevant federal law, regulation of oil and gas activity is of statewide
108	concern and the state regulation of oil and gas activity occupies the whole field of potential
109	regulation.
110	(3) The legislative body of a political subdivision may enact, amend, or enforce a local
111	ordinance, resolution, or rule consistent with its general land use authority that:
112	(a) regulates only surface activity that is incident to an oil and gas activity;
113	(b) does not effectively or unduly limit, ban, or prohibit an oil and gas activity; and

114	(c) is not otherwise preempted by state or federal law.
115	Section 4. Effective date.
116	If approved by two-thirds of all the members elected to each house, this bill takes effect
117	upon approval by the governor, or the day following the constitutional time limit of Utah
118	Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
119	the date of veto override.

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